Monday 1 August 2016

Council will retain ownership of City Care Limited

Christchurch City Council will retain City Care Limited after a rigorous sale process showed it makes commercial sense to keep the maintenance and construction company.

The Council made a unanimous decision to retain City Care under continued Council ownership at its meeting last week.

Mayor Lianne Dalziel says last year's decision to seek interest in the sale of the Council-owned company was always based on getting the best commercial outcome for the city.

"When the Council reviewed the preferred offer we decided that there was not a compelling case to conclude the sale.

Raf Manji, Chair of the Strategy and Finance committee says, "The decision to retain City Care will not affect the Council's financial strategy which has already benefited from, among other things, the insurance settlement, lower interest rates and higher dividends from the companies in the Christchurch City Holdings Limited (CCHL) portfolio. In addition, CCHL remains committed to returning the full amount of capital release funding required in our budgets."

"City Care is in several competitive contracting markets throughout the country, so its dividends are not just based on work performed for the Council in Christchurch. The competitive sales process progressed well and drew real interest. However the decision not to sell was based on the nature of the preferred offer and associated conditions," says Mr Manji.

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